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May 15, 2009

Via e-mail

Susan M. Hudson, Clerk
Vermont Public Service Board
Chittenden Bank Building, Fourth Floor
112 State Street, Drawer 20
Montpelier, Vermont 05620

Re: Request for Comments on Year 2008 Uncommitted EEU Funds

Dear Ms. Hudson:

The following comments are provided by International Business Machine Corporation (IBM) in response to the April 24, 2009 Public Service Board staff letter regarding pending requests to carry over uncommitted funds of \$1,475,768 and unspent funds of \$2,808,043 to the 2009-2011 budget.

As a general matter, funds that are not committed in the course of executing the efficiency program in a given year should be returned to the ratepayers as savings realized by the EEU. IBM requests that the uncommitted funds from 2008 be used to reduce the Energy Efficiency Charges for 2010. The EEU budget continues to increase year to year and the uncommitted funds should be used to reduce the cost to all ratepayers.

An alternative to returning the uncommitted funds from 2008 to ratepayers would be to use the funds only for the development of Smart Grid applications that conserve electricity and/or improve the efficiency of the electric transmission and distribution system. Innovative technologies such as Smart Grid will play a vital role in meeting the state's long-term conservation and efficiency objectives. IBM recommends that a portion of the previously approved 2009 -2011 EEU budget be devoted to this purpose.

Ratepayer funds specifically collected for electrical efficiency should not be diverted to purposes that have marginal benefit to electric ratepayers.

Thank you for the opportunity to comment.

Sincerely,

Jonathan Aldrich P.E. PMP
Site Energy Manager